

PROPOSED AMENDMENT

SENATE AMENDMENTS TO S.B. 1111

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 15-977, Arizona Revised Statutes, is amended to
3 read:

4 **15-977. Classroom site fund; definitions**

5 A. The classroom site fund is established consisting of monies
6 transferred to the fund pursuant to section 37-521, subsection B and section
7 42-5029, subsection E, paragraph 10. The department of education shall
8 administer the fund. School districts and charter schools may not supplant
9 existing school site funding with revenues from the fund. All monies
10 distributed from the fund are intended for use at the school site. Each
11 school district or charter school shall allocate forty per cent of the monies
12 for teacher compensation increases based on performance and employment
13 related expenses, twenty per cent of the monies for teacher base salary
14 increases and employment related expenses and forty per cent of the monies
15 for maintenance and operation purposes as prescribed in subsection H of this
16 section. Teacher compensation increases based on performance or teacher base
17 salary increases distributed pursuant to this subsection shall supplement,
18 and not supplant, teacher compensation monies from any other sources. The
19 school district or charter school shall notify each school principal of the
20 amount available to the school by April 15 **OF EACH YEAR**. The district or
21 charter school shall request from the school's principal each school's
22 priority for the allocation of the funds available to the school for each
23 program listed under subsection H of this section. The amount budgeted by the
24 school district or charter school pursuant to this section shall not be
25 included in the allowable budget balance carryforward calculated pursuant to
26 section 15-943.01.

27 B. A school district governing board must adopt a performance based
28 compensation system at a public hearing to allocate funding from the
29 classroom site fund pursuant to subsection A of this section.

1 C. A school district governing board shall vote on a performance based
2 compensation system that includes the following elements:

3 1. School district performance and school performance.
4 2. Measures of academic progress toward the academic standards adopted
5 by the state board of education.

6 3. Other measures of academic progress.
7 4. Dropout or graduation rates.
8 5. Attendance rates.
9 6. Ratings of school quality by parents.
10 7. Ratings of school quality by students.
11 8. The input of teachers and administrators.

12 9. Approval of the performance based compensation system based on an
13 affirmative vote of at least seventy per cent of the teachers eligible to
14 participate in the performance based compensation system.

15 10. An appeals process for teachers who have been denied performance
16 based compensation.

17 11. Regular evaluation for effectiveness.
18 D. A performance based compensation system shall include teacher
19 professional development programs that are aligned with the elements of the
20 performance based compensation system.

21 E. A school district governing board may modify the elements contained
22 in subsection C of this section and consider additional elements when
23 adopting a performance based compensation system. A school district
24 governing board shall adopt any modifications or additional elements and
25 specify the criteria used at a public hearing.

26 F. Until December 31, 2009, each school district shall ~~develop an~~
27 ~~assessment plan for~~ SUBMIT A COPY OF its ADOPTED performance based
28 compensation system ~~and submit the plan~~ PURSUANT TO SUBSECTION B OF THIS
29 SECTION to the department of education by December 31 of each year.~~A copy~~
30 ~~of the performance based compensation system and assessment plan adopted by~~
31 ~~the school district governing board shall be included in the report submitted~~
32 ~~to the department of education.~~ IN THE FOLLOWING MANNER:

1 1. IF THE SCHOOL DISTRICT HAS NOT MADE ANY CHANGES TO ITS PERFORMANCE
2 BASED COMPENSATION SYSTEM SINCE THE PRIOR YEAR, THE SCHOOL DISTRICT SHALL
3 NOTIFY THE DEPARTMENT OF EDUCATION IN WRITING THAT NO CHANGES HAVE OCCURRED
4 AND THE PREVIOUS SUBMITTAL REFLECTS THE DISTRICT'S MOST CURRENT PERFORMANCE
5 BASED COMPENSATION SYSTEM.

6 2. IF THE SCHOOL DISTRICT HAS MADE CHANGES TO ITS PERFORMANCE BASED
7 COMPENSATION SYSTEM SINCE THE PRIOR YEAR SUBMITTAL, THE SCHOOL DISTRICT SHALL
8 SUBMIT A COPY OF ITS MOST RECENTLY ADOPTED PERFORMANCE BASED COMPENSATION
9 SYSTEM.

10 G. Monies in the fund are continuously appropriated, are exempt from
11 the provisions of section 35-190 relating to lapsing of appropriations and
12 shall be distributed as follows:

13 1. By March 30 of each year the staff of the joint legislative budget
14 committee shall determine a per pupil amount from the fund for the budget
15 year using the estimated statewide weighted count for the current year
16 pursuant to section 15-943, paragraph 2, subdivision (a) and based on
17 estimated available resources in the classroom site fund for the budget year.

18 2. The allocation to each charter school and school district for a
19 fiscal year shall equal the per pupil amount established in paragraph 1 of
20 this subsection for the fiscal year multiplied by the weighted student count
21 for the school district or charter school for the fiscal year pursuant to
22 section 15-943, paragraph 2, subdivision (a). For the purposes of this
23 paragraph, the weighted student count for a school district that serves as
24 the district of attendance for nonresident pupils shall be increased to
25 include nonresident pupils who attend school in the school district.

26 H. Monies distributed from the classroom site fund shall be spent for
27 the following maintenance and operation purposes:

- 28 1. Class size reduction.
- 29 2. Teacher compensation increases.
- 30 3. AIMS intervention programs.
- 31 4. Teacher development.
- 32 5. Dropout prevention programs.

1 6. Teacher liability insurance premiums.

2 I. The district governing board or charter school shall allocate the
3 classroom site fund monies to include, wherever possible, the priorities
4 identified by the principals of the schools while assuring that the funds
5 maximize classroom opportunities and conform to the authorized expenditures
6 identified in subsection A of this section.

7 J. School districts and charter schools that receive monies from the
8 classroom site fund shall submit a report by November 15 of each year to the
9 superintendent of public instruction on a per school basis that provides an
10 accounting of the expenditures of monies distributed from the fund during the
11 previous fiscal year and a summary of the results of district and school
12 programs funded with monies distributed from the fund. The department of
13 education in conjunction with the auditor general shall prescribe the format
14 of the report under this subsection.

15 K. School districts and charter schools that receive monies from the
16 classroom site fund shall receive these monies monthly in an amount not to
17 exceed one-twelfth of the monies estimated pursuant to subsection G of this
18 section, except that if there are insufficient monies in the fund that month
19 to make payments, the distribution for that month shall be prorated for each
20 school district or charter school. The department of education may make an
21 additional payment in the current month for any prior month or months in
22 which school districts or charter schools received a prorated payment if
23 there are sufficient monies in the fund that month for the additional
24 payments. The state is not required to make payments to a school district or
25 charter school classroom site fund if the state classroom site fund revenue
26 collections are insufficient to meet the estimated allocations to school
27 districts and charter schools pursuant to subsection G of this section.

28 L. The state education system for committed youth shall receive monies
29 from the classroom site fund in the same manner as school districts and
30 charter schools. The Arizona state schools for the deaf and the blind shall
31 receive monies from the classroom site fund in an amount that corresponds to
32 the weighted student count for the current year pursuant to section 15-943,

1 paragraph 2, subdivision (b) for each pupil enrolled in the Arizona state
2 schools for the deaf and the blind. Except as otherwise provided in this
3 subsection, the Arizona state schools for the deaf and the blind and the
4 state education system for committed youth are subject to this section in the
5 same manner as school districts and charter schools.

6 M. Each school district and charter school, including school districts
7 that unify pursuant to section 15-448 or consolidate pursuant to section
8 15-459, shall establish a local level classroom site fund to receive
9 allocations from the state level classroom site fund. The local level
10 classroom site fund shall be a budgetary controlled account. Interest charges
11 for any registered warrants for the local level classroom site fund shall be
12 a charge against the local level classroom site fund. Interest earned on
13 monies in the local level classroom site fund shall be added to the local
14 level classroom site fund as provided in section 15-978. In no event shall
15 this state be required to make payments to a school district or charter
16 school local level classroom site fund that are in addition to monies
17 transferred to the state level classroom site fund pursuant to section
18 37-521, subsection B and section 42-5029, subsection E, paragraph 10.

19 N. Monies distributed from the classroom site fund for class size
20 reduction, AIMS intervention and dropout prevention programs shall only be
21 used for instructional purposes in the instruction function as defined in the
22 uniform system of financial records except that monies shall not be used for
23 school sponsored athletics.

24 O. THE DEPARTMENT OF EDUCATION SHALL NOTIFY EACH SCHOOL DISTRICT BY
25 NOVEMBER 1 OF EACH YEAR THAT THE SCHOOL DISTRICT IS REQUIRED TO SUBMIT A COPY
26 OF ITS PERFORMANCE BASED COMPENSATION SYSTEM PURSUANT TO SUBSECTION F OF THIS
27 SECTION BY DECEMBER 31 OF EACH YEAR. THE DEPARTMENT MAY WITHHOLD ANY PORTION
28 OF STATE FUNDS TO THE SCHOOL DISTRICT UNTIL THE COPY OF THE PERFORMANCE BASED
29 COMPENSATION SYSTEM HAS BEEN RECEIVED BY THE DEPARTMENT OF EDUCATION.

30 ~~O.~~ P. For the purposes of this section:

31 1. "AIMS intervention" means summer programs, after school programs,
32 before school programs or tutoring programs that are specifically designed to

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1 ensure that pupils meet the Arizona academic standards as measured by the
2 Arizona instrument to measure standards test prescribed by section 15-741.

3 2. "Class size reduction" means any maintenance and operations
4 expenditure that is designed to reduce the ratio of pupils to classroom
5 teachers, including the use of persons who serve as aides to classroom
6 teachers."

7 Amend title to conform

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2/11/08
8:52 AM
S: DW/jas